

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 03-0053P**

**Income Tax**

**For Fiscal Ended August 31, 2000**

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**ISSUE(S)**

**I. Tax Administration – Penalty**

**Authority:** IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

**STATEMENT OF FACTS**

Taxpayer protests the proposed penalty assessments for the underpayment of estimated income tax and the late payment thereof. The due date of the return was December 15, 2000. Taxpayer filed its return late with payment of one hundred (100%) percent of its tax liability. The Department issued its late payment assessments on December 9, 2002.

Taxpayer's representative filed a penalty protest letter dated January 24, 2003 and states that it could not ascertain the facts that resulted in the penalty being imposed. Taxpayer is also unable to determine if those facts would constitute "reasonable cause" for abatement of the penalty but asks the Department to consider the new parent's history.

**I. Tax Administration – Penalty**

**DISCUSSION**

Taxpayer protests the penalties assessed and states that it could not ascertain the facts that resulted in the penalties being imposed.

Taxpayer did not make payment by the original due date which resulted in the late payment penalty. Payment for one hundred percent of the tax was made after the due date of the return on May 15, 2001.

Taxpayer also failed to make quarterly estimated payments although it had done so in prior years.

The penalties assessed are “pre-acquisition” penalties, therefore, irrelevant to the new parent’s history.

Taxpayer has not provided reasonable cause to allow the Department to waive the penalties.

**FINDING**

Taxpayer’s protest is denied.